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BEFORE THE ARIZONA CORPORATION COM

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ARIZONA CORPORATION
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Arizona Corporation Commission
DOCKETED

FEB 25 2008

DOCKETED BY	nr
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IN THE MATTER OF THE
APPLICATION OF ANWAY MANVILLE,
LLC AN ARIZONA LIMITED LIABILITY
COMPANY, FOR AN EXTENSION OF
THE SERVICE AREA UNDER ITS
EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WATER UTILITY SERVICES
IN PIMA COUNTY

Docket No. W-03233A-07-0665

**RESPONSE TO LETTER OF
INSUFFICIENCY NO. 1**

Anway Manville, LLC, ("Anway"), hereby responds to Arizona Corporation
Commission ("ACC") Staff's Letter of Insufficiency ("Insufficiency Letter"), as
follows:

Preliminary Statement

As it has proven for many years, Anway is able to operate a small water system
efficiently and maintain a high level of customer service. Because of its proven track
record, and its proximity to their land holdings, Anway has been approached by
numerous landowners, who may develop their properties in the requested CC&N

1 extension area, requesting water service to their properties. The landowners want the
2 ACC to authorize a water company to serve their property so they can begin working
3 with the company to design water delivery facilities and receive the permits necessary to
4 offer subdivided land for sale to the public. Accordingly, several landowners have
5 offered letters of support for the proposed CC&N extension. See Exhibit 1.
6

7
8 In straightforward terms, Anway is asking the ACC to approve the CC&N
9 extension application so proper water use planning can occur. If the application is
10 approved, then developers and Anway can work together to plan water plant construction
11 and establish assured water supplies for subdivisions. Consistent with industry practice,
12 planning and construction costs will be borne mostly by the developers. After the
13 construction has been approved by ADEQ, Anway would assume ownership of the water
14 plant and provide water service to the subject lands. Thereafter, as other nearby
15 landowners seek service, Anway would have the ability to extend transmission lines
16 outside the developer's subdivision and supply water in new areas at a more reasonable
17 cost.
18
19
20

21 On the other hand, if Anway's application is not approved, then this area will be
22 left with no entity to provide regional water planning and service. Each developer will
23 have to form its own water company to provide service to their small developments or
24 find another water company willing to serve small satellite systems far removed from
25 their existing facilities. Anway believes it is in the best interest of the company, and its
26 current customers, to assume the financial responsibility for serving small remote
27 subdivisions in the proposed extension area provided it knows it will have the ability to
28

1 grow these systems and eventually link them together. This is the reason why Anway has
2 sought the large CC&N extension area to include all of Sections 2, 3, 10 and 11 in
3 Township 13 South, Range 10 East.¹
4

5 **Direct Answers to Questions**

6 **1.** Please submit a drinking water design report which clarifies how water will be
7 provided to the proposed CC&N extension area. (A) The report should identify existing
8 and future sources, the capacities of existing sources, the estimated capacities of future
9 sources and any existing demand on the present water sources. (B) The report should
10 include the estimated water demand from a typical dwelling unit, the estimated demand
11 from the proposed CC&N area. (C) The report should identify the location of future and
12 existing transmission mains and include the timing or construction phasing of facilities.
13 (D) The design report should describe water quality and address and water quality
14 problems with the existing and future sources of water (as an example, will extra
15 treatment costs arise in order to meet existing or future maximum contaminant levels for
16 arsenic nitrates or fluorides in the drinking water and if so, how does the applicant plan to
17 fund the necessary treatment plant additions). (E) Please provide any other information
18 which will enable the Commission to analyze and conclude that the company has
19 sufficient water production capacity, or can develop enough drinking water capacity to
20 service the existing and future demands from the proposed CC&N area.
21

22 **Ans.** As indicated above, Anway has not drafted a drinking water design report
23 yet. As ACC staff is aware, design reports are expensive and would be extremely
24 speculative before the local developers' plans are known. Typically, the developers
25 seeking to establish subdivisions within the area draft the design reports with input from
26 the local water company. Anway believes that initially the system will be extended
27 through main extension agreements between Anway and developers in the extension
28 area or the developers will construct "satellite" systems that Anway will help plan to
enable the system to extend outside the developer's subdivision. Once these system

¹ In attachment B of the application, Section 11 was inadvertently left off the description below the map, so we are providing a corrected attachment B. See Exhibit 2.

1 facilities become operational, the company anticipates that neighboring landowners will
2 want to connect to the system at a reasonable cost, rather than operate small wells or
3 haul water. Anway intends to require those developers requesting water service to
4 establish an assured water supply for the subdivisions, which would include drafting the
5 design report and establishing sufficient water quality and quantity, and finance system
6 construction.
7
8

9
10 **2.** Please provide a copy of the Arizona Department of Water Resources ("ADWR")
11 Designation of Assured Water Supply, Certificate of Assured Water Supply or Letter of
12 Adequate Water Supply for the CC&N area requested. If none of these are available,
13 please provide a copy of the ADWR Physical Availability Determination.

14 **Ans.** Anway agrees with the ACC staff's implied position that the company
15 should not seek to commit to serve new residential subdivision water demands unless
16 there is sufficient groundwater available to meet that demand. Rather than Anway
17 spending money to study the hydrology, however, it proposes that the subdividers will
18 have to establish that water is available to allow Anway to meet the subdivision's
19 potential water demand. Put another way, Anway wants the subdividers to bear the cost
20 of establishing sufficient groundwater supplies rather than burden its existing customers
21 with such costs.
22
23

24
25 **3.** Please provide a set of design plans for the proposed water facilities. If final plans
26 are not available, preliminary design plans should be provided.
27
28

1 **Ans.** As indicated above, the actual design plans will most likely be drafted by
2 developers, and not the company, after the developers know there is a water company
3 able to serve their subdivisions.
4

5
6 **4.** Please provide an estimate of the water construction costs to the Applicant,
7 necessary to serve the proposed CC&N. The costs should include a description of the
8 major components with the cost of the component (i.e., wells, number and size of storage
9 tanks, water treatment plant, etc.). The method of financing for the major components
10 should be specified.
11

12 **5.** Please provide a copy of the proposed construction schedule from all developers.

13 **Ans.** To Anway's knowledge, the developers have not drafted construction
14 schedules yet.
15

16 **6.** Please update Arizona Department of Environmental Quality (ADEQ) Compliance
17 Status Report for existing water facilities (Report should be dated within last 3 months).

18 **Ans.** The compliance status report has been requested from ADEQ but not
19 received yet. Anway's understanding is the individual responsible for compliance reports
20 is on extended leave. Anway has made an additional request to another ADEQ staff
21 person and anticipates receiving the compliance report soon. Once the report is received,
22 Anway will provide it to ACC staff.
23

24 **7.** Please provide an estimate of the number of connections the company expects to
25 add each year, for the next five years beginning in 2008.

26 **Ans.** Anway anticipates that, provided the extension application is approved,
27 during the next four months the developers will plat the subdivision and secure all of the
28

1 requisite approvals from ADEQ and ADWR. In year two and thereafter, Anway expects
2 to add 40 connections per year.

3
4 **8.** How many lots will each developer have at full development?

5 **Ans.** Anway has no way of knowing the answer to this question.

6
7 **9.** Please provide an estimate of years it will take for the developments to be build-
8 out.

9 **Ans.** Anway has no way of knowing the answer to this question.

10 DATED this 25th day of February, 2008.

11
12 **MOYES STOREY, LTD.**

13
14 
15 Steve Wene

16 **Original and thirteen** copies filed this
17 25th day of February, 2008, with:

18 Docket Control
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007

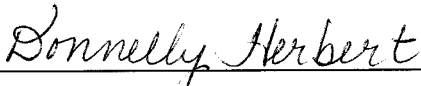
22 
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27
28

Exhibit 1

RECEIVED
MOYES STOREY
NOV 26 2007

November 15, 2007

Ms. Bonnie O'Connor
Southwest Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

**Re: Letter of Support for Anway Manville LLC
CC&N Expansion**

Dear Ms. O'Connor

We are currently assisting our client in developing a parcel in the Anway Manville, LLC area and are in support of your endeavor to extend the CC&N to include this parcel. This parcel is located in the southwest quarter of section 10, Township 13 South, Range 10 East of the Gila and Salt River Meridian, Pima County, Arizona. The site is bounded by Sunset Road to the south and Anway Road to the West.

If you have any questions regarding this matter, please call me.

Regards,

CASTRO ENGINEERING CORP

Scott E. Eisenfeld
Vice President

cc: Chuck Jones, DVL Investments
Project File

RECEIVED
MOVES STOREY

NOV 26 2007

November 15, 2007

Ms. Bonnie O=Connor
Southwest Utility Management, Inc.
P.O. Box 85160
Tucson, Arizona 85754

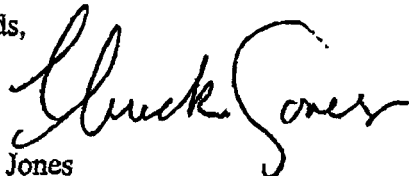
**Re: Letter of Support for Anway Manville LLC
CC&N Expansion**

Dear Ms. O=Connor

I am currently developing a parcel in the Anway Manville, LLC area and are in support of their endeavor to extend their CC&N to include my parcel. This parcel is located in the southwest quarter of section 10, Township 13 South, Range 10 East of the Gila and Salt River Meridian, Pima County, Arizona. The site is bounded by Sunset Road to the south and Anway Road to the West.

If you have any questions regarding this matter, please contact me at 520-762-1300.

Regards,



Chuck Jones
DVL Investments

Ron Owsley
GV Premier Homes, LLC
Chief Financial Officer
1870 W. Prince Rd. Suite 71
Tucson, AZ. 85705
520-247-8068
ron@gvpremierhomes.com

October 29th, 2007

To Whom It May Concern,

GV Premier Homes, LLC, owners of two parcels of property in Tucson Avra West, III located in the subdivision of the NE corner of Manville and Anway Roads, 4884 N. Sabi Rd (lot 64) and 5039 N. Sabi Rd (lot 55), Marana address, Pima County, Arizona, in the SW Quarter of Section 15, Township 13-S, Range 19 E, G&SR, B&M, do not have any objection to the CC&N extension that Anway Manville, LLC is applying for.

Sincerely,



Ron C. Owsley
GV Premier Homes, LLC
(Its: Member-owner)

10-29-07

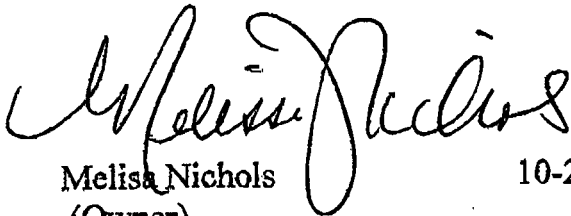
Melissa Nichols
8048 W. Misty Brook Plc.
Tucson, AZ. 85743
520-591-7817

October 29th, 2007

To Whom It May Concern,

I am the owner of one parcel of property in Tucson Avra West, III located in the subdivision of the NE corner of Manville and Anway Roads, 4935 N. Sabi Rd, Marana address, Pima County, Arizona, in the SW Quarter of Section 15, Township 13-S, Range 19 E, G&SR, B&M, do not have any objection to the CC&N extension that Anway Manville, LLC is applying for.

Sincerely,



Melisa Nichols
(Owner)

10-29-07

Exhibit 2

PIMA	See Below	13S	10E
COUNTY	SECTION	TOWNSHIP	RANGE

[illegible]

Requested CC&N extension area:

All of Sections 10, 3, 2, Township 13S, Range 10E

All of Section 11, Township 13S, Range 10E



Requested CC&N Extension Area